

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 818

Short Title: Establish Education Endowment Fund. (Public)

Sponsors: Senators Tillman (Primary Sponsor); Brock, Daniel, Ford, Hunt, Robinson, and Sanderson.

Referred to: Education/Higher Education.

May 21, 2014

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH AND DEDICATE FUNDS FOR THE NORTH CAROLINA
3 EDUCATION ENDOWMENT FUND TO PROVIDE ADDITIONAL SUPPORT AND
4 FUNDING FOR K-12 PUBLIC SCHOOLS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Chapter 115C of the General Statutes is amended by adding a new
7 Article to read:

8 "Article 32E.

9 "North Carolina Education Endowment Fund.

10 **"§ 115C-472.16. Establishment of the North Carolina Education Endowment Fund.**

11 (a) There is established the North Carolina Education Endowment Fund. The Fund shall
12 be a special fund consisting of (i) moneys credited to it under G.S. 20-81.12 from the sale of
13 special registration plates to support teachers in the public schools; (ii) proceeds of any gifts,
14 grants, or contributions to the State that are specifically designated for inclusion in the Fund;
15 (iii) appropriations made to it by the General Assembly; and (iv) interest accrued to it thereon.
16 Moneys in the fund shall be available for expenditure only upon an act of appropriation by the
17 General Assembly.

18 (b) The General Assembly shall only appropriate moneys in the North Carolina
19 Education Endowment Fund for teacher compensation that is related directly to improving
20 student academic outcomes in the public schools of the State."

21 **SECTION 2.(a)** G.S. 20-79.4(b) is amended by adding a new subdivision to read:

22 "(b) Types. – The Division shall issue the following types of special registration plates:

23 ...
24 (251) I Support Teachers. – Issuable to the registered owner of a motor vehicle in
25 accordance with G.S. 20-81.12. The plate shall have a gray chalkboard
26 background with "I SUPPORT TEACHERS" written in white chalk across
27 the top of the plate and an image of a red apple shall be in the lower left
28 corner with the letters "ABC" appearing in white chalk over the apple."

29 **SECTION 2.(b)** G.S. 20-81.12(b12) reads as rewritten:

30 "(b12) ~~I Support Public Schools Teachers~~ Plates. – The Division must receive 300 or more
31 applications for ~~at the I Support Public Schools Teachers~~ plate before the plate may be
32 developed. The Division shall transfer quarterly the money in the Collegiate and Cultural
33 Attraction Plate Account derived from the sale of ~~I Support Public Schools Teachers~~ plates to
34 the ~~Fund for the Reduction of Class Size in Public Schools created pursuant to~~



1 ~~G.S. 115C-472.10.~~ North Carolina Education Endowment Fund established pursuant to
2 G.S. 115C-472.16."

3 **SECTION 2.(c)** Article 32C of Chapter 115C of the General Statutes is repealed.

4 **SECTION 3.(a)** G.S. 105-153.5(b) is amended by adding a new subdivision to
5 read:

6 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
7 deduct from the taxpayer's adjusted gross income any of the following items that are included
8 in the taxpayer's adjusted gross income:

9 ...
10 (10) The amount of a contribution during the taxable year to the North Carolina
11 Education Endowment Fund created pursuant to G.S. 115C-472.16. No
12 deduction shall be allowed under this subdivision for amounts deducted as
13 an itemized charitable deduction under this section."

14 **SECTION 3.(b)** G.S. 105-130.9(2) reads as rewritten:

15 "**§ 105-130.9. Contributions.**

16 Contributions shall be allowed as a deduction to the extent and in the manner provided as
17 follows:

18 ...
19 (2) Contributions by any corporation to the State of North Carolina, any of its
20 institutions, instrumentalities, or agencies, any county of this State, its
21 institutions, instrumentalities, or agencies, any municipality of this State, its
22 institutions, instrumentalities, or agencies, and contributions or gifts by any
23 corporation to the North Carolina Education Endowment Fund created
24 pursuant to G.S. 115C-472.16 or to educational institutions located within
25 North Carolina, no part of the net earnings of which inures to the benefit of
26 any private stockholders or dividend. For the purpose of this subdivision, the
27 words "educational institution" shall mean only an educational institution
28 which normally maintains a regular faculty and curriculum and normally has
29 a regularly organized body of students in attendance at the place where the
30 educational activities are carried on. The words "educational institution"
31 shall be deemed to include all of such institution's departments, schools and
32 colleges, a group of "educational institutions" and an organization
33 (corporation, trust, foundation, association or other entity) organized and
34 operated exclusively to receive, hold, invest and administer property and to
35 make expenditures to or for the sole benefit of an "educational institution" or
36 group of "educational institutions."

37"

38 **SECTION 3.(c)** Article 9 of Subchapter I of Chapter 105 of the General Statutes is
39 amended by adding a new section to read:

40 "**§ 105-269.7. Contribution of income tax refund or payment to the North Carolina**
41 **Education Endowment Fund.**

42 Any taxpayer entitled to a refund of income taxes under Article 4 of this Chapter, or any
43 taxpayer who desires to make a contribution may elect to contribute all or part of the refund or
44 may make a contribution to the North Carolina Education Endowment Fund established
45 pursuant to G.S. 115C-472.16 to be used in accordance with that statute. The Secretary shall
46 provide appropriate language and space on the income tax form in which to make the election
47 or contribution. The taxpayer's election or contribution becomes irrevocable upon filing the
48 taxpayer's income tax return for the taxable year. The Secretary shall transmit the amounts
49 designated pursuant to this section to the State Treasurer for credit to the North Carolina
50 Education Endowment Fund."

1 **SECTION 4.** Section 3 of this act is effective for taxable years beginning on or
2 after January 1, 2014. The remainder of this act becomes effective July 1, 2014.